

SECOND REGULAR SESSION

# SENATE BILL NO. 681

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR DOUGHERTY.

Pre-filed December 1, 2005, and ordered printed.

TERRY L. SPIELER, Secretary.

3688S.011

## AN ACT

To repeal sections 103.003, 103.005, 103.036, 148.320, and 354.130, RSMo, and to enact in lieu thereof six new sections relating to the Missouri consolidated health care plan.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 103.003, 103.005, 103.036, 148.320, and 354.130, RSMo, are repealed and six new sections enacted in lieu thereof, to be known as sections 103.003, 103.005, 103.036, 103.080, 148.320, and 354.130, to read as follows:

103.003. As used in sections 103.003 to 103.175, the following terms mean:

(1) "Actuarial reserves", the necessary funding required to pay all the medical expenses for services provided to members of the plan but for which the claims have not yet been received by the claims administrator;

(2) "Actuary", a member of the American Academy of Actuaries or who is an enrolled actuary under the Employee Retirement Income Security Act of 1974;

(3) "Agency", a state-sponsored institution of higher learning, political subdivision or governmental entity or instrumentality;

(4) "Alternative delivery health care program", a plan of covered benefits that pays medical expenses through an alternate mechanism rather than on a fee-for-service basis. This includes, but is not limited to, health maintenance organizations and preferred provider organizations, all of which shall include chiropractic physicians licensed under chapter 331, RSMo, in the provider networks or organizations;

(5) "Board", the board of trustees of the Missouri consolidated health care plan;

18 (6) "Claims administrator", an agency contracted to process medical claims  
19 submitted from providers or members of the plan and their dependents;

20 (7) "Coordination of benefits", to work with another group-sponsored  
21 health care plan which also covers a member of the plan to ensure that both  
22 plans pay their appropriate amount of the health care expenses incurred by the  
23 member;

24 (8) "Covered benefits", a schedule of covered services, including  
25 chiropractic services, which are payable under the plan;

26 (9) "Employee", any person employed full time by the state or a  
27 participating member agency, or a person eligible for coverage by a  
28 state-sponsored retirement system or a retirement system sponsored by a  
29 participating member agency of the plan;

30 (10) "Evidence of good health", medical information supplied by a  
31 potential member of the plan that is reviewed to determine the financial risk the  
32 person represents to the plan and the corresponding determination of whether or  
33 not he or she should be accepted into the plan;

34 (11) "Health care plan", any group medical benefit plan providing coverage  
35 on an expense-incurred basis, any HMO, any group service or indemnity contract  
36 issued by a health plan of any type or description;

37 (12) "Medical benefits coverages" shall include services provided by  
38 chiropractic physicians as well as physicians licensed under chapter 334, RSMo;

39 (13) "Medical expenses", costs for services performed by a provider and  
40 covered under the plan;

41 (14) "Missouri consolidated health care plan benefit fund account", the  
42 benefit trust fund account containing all payroll deductions, payments, and  
43 income from all sources for the plan;

44 (15) "Officer", an elected official of the state of Missouri;

45 (16) "Participating member agency", a state-sponsored institution of  
46 higher learning, political subdivision or governmental entity that has elected to  
47 join the plan and has been accepted by the board;

48 (17) "Plan year", a twelve-month period designated by the board which is  
49 used to calculate the annual rate categories and the appropriate coverage;

50 (18) "Provider", a physician, hospital, pharmacist, psychologist,  
51 chiropractic physician or other licensed practitioner who or which provides health  
52 care services within the respective scope of practice of such practitioner pursuant  
53 to state law and regulation;

54 (19) "Retiree", a person who is not an employee and is receiving or is  
55 entitled to receive an annuity benefit from a state-sponsored retirement system  
56 or a retirement system of a participating member agency of the plan or becomes  
57 eligible for retirement benefits because of service with a participating member  
58 agency;

59 **(20) "Young adult", a person residing in Missouri between the**  
60 **ages of eighteen and twenty-five who is not otherwise eligible and**  
61 **receiving health insurance coverage under the Missouri consolidated**  
62 **health care plan.**

103.005. For the purpose of covering medical expenses of the officers,  
2 employees and retirees, the eligible dependents of officers, employees and retirees  
3 and to the surviving spouses and children of deceased officers, employees and  
4 retirees of the state and participating member agencies of the state, **and for the**  
5 **purpose of covering medical expenses of young adult Missourians**  
6 **between the ages of eighteen and twenty-five**, there is hereby created and  
7 established a health care plan which shall be a body corporate, which shall be  
8 under the management of the board of trustees herein described, and shall be  
9 known as the "Missouri Consolidated Health Care Plan". Notwithstanding any  
10 provision of law to the contrary, such plan may sue and be sued, transact  
11 business, contract, invest funds and hold cash, securities and other property and  
12 shall be vested with such other powers as may be necessary or proper to enable  
13 it, its officers, employees, and agents to carry out fully and effectively all the  
14 purposes of sections 103.003 to 103.175.

103.036. The board shall set up and maintain a benefit trust fund account  
2 in which shall be placed all payroll deductions, payments, and income from all  
3 sources **other than payments, premiums, or other income from coverage**  
4 **provided to young adults which shall be maintained in a separate**  
5 **young adult benefit trust fund account.** All property, money, funds,  
6 investments, and rights which shall belong to or be available for expenditure or  
7 use by the plan shall be dedicated to and held in trust for the members and for  
8 the purposes herein set out and no other. The board shall have power, in the  
9 name and on behalf of the plan, to purchase, acquire, hold, invest, lend, lease,  
10 sell, assign, transfer, and dispose of all property, rights, and securities, and enter  
11 into written contracts as may be necessary and proper to carry out its duties.

**103.080. 1. The board shall establish a mechanism whereby**  
2 **young adults may be provided coverage under the plan. Such coverage**

3 may be provided as part of the coverage as a whole provided by the  
4 board or as coverage which is contracted for or provided separate and  
5 apart from all other coverage provided by the board, whichever results  
6 in the cost-effective means of providing health benefit coverage to both  
7 employees and young adults.

8 2. The board shall have the same authority regarding the  
9 administration of coverage provided to young adults as it has with  
10 regard to the plan as a whole, including but not limited to establishing  
11 enrollment periods, contract requirements, and provider network  
12 requirements.

13 3. Payments credited to the young adult benefit trust fund  
14 account under section 354.130, RSMo, shall be used to offset premium  
15 costs for young adults enrolled in the young adults plan.

16 4. Any insurance agent or broker licensed to sell accident and  
17 health insurance in this state may be authorized to sell coverage under  
18 the plan to young adults. The board may establish a schedule of  
19 commissions to pay for the services of the agent or broker.

20 148.320. 1. Every stock insurance company organized under the  
21 provisions of sections 379.010 to 379.203, RSMo, and every health services  
22 corporation and health maintenance organization organized under the  
23 provisions of sections 354.010 to 354.380, RSMo, shall quarterly pay a tax  
24 upon the direct premiums received during the calendar year, whether in cash or  
25 notes, in this state and on account of business done in this state at a rate of two  
26 percent per annum in lieu of all other taxes except taxes on real and tangible  
27 personal property, taxes on incomes and on franchises and license taxes;  
28 provided, that such insurance companies shall be credited with canceled or  
29 returned premiums, actually paid during the year in this state.

30 2. The director of revenue shall determine and furnish to the  
31 state treasurer the amount of state tax revenues collected under this  
32 section on a quarterly basis from health services corporations and  
33 health maintenance organizations. The state treasurer shall transfer  
34 such amount on a quarterly basis from general revenue to the young  
35 adult benefit trust fund account of the Missouri consolidated health  
36 care plan.

37 354.130. Every health services corporation shall be exempt from all taxes  
38 with respect to its membership dues or fees and other income, and shall be  
39 exempt from all franchise taxes and license fees except as otherwise specified in

4 sections 354.010 to 354.380 and section 148.320, RSMo.

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